

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 IO-11 AF-06 ARA-06 EA-07 EUR-12 NEA-10

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-01 CEA-01 /106 W

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P 100930Z MAR 76

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 8626

INFO USMISSION OECD PARIS PRIORITY

USMISSION USUN NEW YORK PRIORITY

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OSOECD FOR WENDT

E.O. 11652: N/A

TAGS: UNCTAD

SUBJECT: UNCTAD: TDB: EC PAPER ON COMMODITIES

AT FIRST GROUP B DISCUSSION OF COMMODITIES IN TDB FRAMEWORK,  
EC (RUSSELL) TABLED FOLLOWING TEXT FOR GROUP B CONSIDERATION  
AS EVENTUAL TEXT OF GROUP B PROPOSAL TO BE TRANSMITTED TO  
TDB TO UNCTAD IV ON COMMODITIES (SEPTEL FOLLOWS WITH  
DELEGATION COMMENTS):

BEGIN TEXT:

QUOTE: PREAMBLE

IN THE LIGHT OF THE RESOLUTIONS SUBMITTED BY THE COMMITTEE  
ON COMMODITIES AT ITS MEETINGS OF FEBRUARY AND OF DECEMBER  
1975; AND INSPIRED BY UN RESOLUTION 3362, INTERNATIONAL CO-  
OPERATION IN THE FIELD OF COMMODITIES SHOULD BE UNDER-  
TAKEN, WHICH - HAVING REGARD TO THE INTERESTS OF BOTH PRODUCERS  
AND CONSUMERS - SHOULD SEEK TO PROMOTE STEADY ECONOMIC

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DEVELOPMENT AND INCREASED SOCIAL WELFARE. THIS CO-

OPERATION SHOULD BE BASED ON THE FOLLOWING OBJECTIVES AND SHOULD DRAW INTER ALIA ON THE FOLLOWING SERIES OF MEASURES IN SEEKING SOLUTIONS TO THE INDIVIDUAL COMMODITY PROBLEMS THAT JOINT EXAMINATION SHOWS TO BE REQUIRED. PROCEDURES SHOULD BE ESTABLISHED TOGETHER WITH AN AGREED TIMETABLE.

#### OBJECTIVES

- (1.) TO STRIVE TOWARDS MORE STABLE CONDITIONS IN COMMODITY TRADE, INCLUDING THE AVOIDANCE OF EXCESSIVE PRICE FLUCTUATIONS, AT PRICE LEVELS WHICH:
  - ARE REMUNERATIVE TO PRODUCERS AND FAIR TO CONSUMERS; AND
  - ARE CONSISTENT WITH LONG-TERM EQUILIBRIUM BETWEEN INCREASING PRODUCTION AND CONSUMPTION.
- (2.) TO ENCOURAGE THE ECONOMIC DEVELOPMENT OF THE DEVELOPING COUNTRIES THROUGH THE STABILIGY OF THEIR EXPORT EARNINGS FROM RAW MATERIALS AND THROUGH INCREASING THEIR FOREIGN CURRENCY EARNINGS, IN PARTICULAR BY THE DIVERSIFICATION OF THEIR PRODUCTION AND BY THE PROCESSING OF RAW MATERIALS.
- (3.) TO ENCOURAGE CONDITIONS FAVOURABLE TO BOTH THE PRODUCTION AND SUPPLY OF COMMODITIES, IN A MANNER CONDUCTIVE TO DEVELOPMENT AND EXPANDING TRADE HAVING PARTICULAR REGARD TO INVESTMENT, TO EXPLORATION, TO EXPLOITATION AND TO LOCAL PROCESSING.
- (4.) TO IMPROVE MARKET ACCESS FOR THE PRODUCERS OF PRIMARY PRODUCTS AND TO SEEK TO DEFINE STEPS WITH THESE PRODUCERS THAT WOULD ASSURE GREATER STABILITY OF SUPPLY.
- (5.) TO PROMOTE THE DIVERSIFICATION OF PRODUCTION IN DEVELOPING COUNTRIES, TO IMPROVE THE FUNCTIONING OF THE MARKETING AND DISTRIBUTION OF DEVELOPING COUNTRY EXPORTS, AND TO ENCOURAGE RESEARCH AND DEVELOPMENT ON THE PROBLEMS OF NATURAL PRODUCTS COMPETING WITH SYNTHETICS.
- (6.) TO GIVE SPECIAL ATTENTION TO THE PROBLEMS OF THE POOREST DEVELOPING COUNTRIES; AND TO TAKE ACCOUNT OF THE SPECIAL SITUATION OF DEVELOPING COUNTRIES WHICH ARE NET IMPORTERS OF COMMODITIES AND RAW MATERIALS, INCLUDING THOSE LACKING IN NATURAL RESOURCES.
- (7.) TO REACH IMPORVEMENT OF MARKET STRUCTURES IN THE FIELD OF RAW MATERIALS AND COMMODITIES OF EXPORT LIMITED OFFICIAL USE

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INTEREST TO THE DEVELOPING COUNTRIES.

#### MEASURES AND TECHNIQUES

WHEN CONCERTED INTERNATIONAL ACTION IS AGREED BY PRODUCING AND CONSUMING COUNTRIES TO BE REQUIRED IN THE COMMODITY FIELD, IN THE FRAMEWORD OF AN OVERALL INTEGRATED APPROACH TO COMMODITY PROBLEMS, INCLUDING ACTION IN THE CONTEXT ARRANGEMENTS, CONSIDERATION SHOULD

BE GIVEN INTER ALIA TO GHE FOLLOWING RANGE OF TECHNIQUES  
TO BE EVALUATED, IN THE LIGHT OF THE CHARACTERISTICS AND  
PROBLEMS OF EACH COMMODITY AND THE SPECIAL NEEDS OF  
DEVELOPING COUNTRIES, FOR USE SINGLY OR IN  
COMBINATION.

(1.) ACTION ON COMMODITIES:

(A) IMPROVEMENT OF PROCEDURES FOR INFORMATION AND  
CONSULTATION OF THE SUPPLY AND DEMAND SITUATION, NOTABLY  
BY MEANS OF CONSUMER-PRODUCER FORA FOR PRODUCTS, AS  
APPROPRIATE

(B) COMMODITY AGREEMENTS OR ARRANGEMENTS (1), (SEE FOOTNOTE)  
TO BE NEGOTIATED BETWEEN PRODUCERS AND CONSUMERS  
THAT MIGHT

- INTER ALIA - INCLUDE:

- PRICING MECHANISMS;

- STOCKING ARRANGEMENTS, NATIONAL OR INTERNATIONAL,  
INCLUDING BUFFER STOCKS;

- METHODS OF MEETING ANY NECESSARY FINANCIAL RE-  
QUIREMENTS INCLUDING VARIOUS WAYS AND MEANS OF FINANCING  
STOCKS; AND THE PARTICIPATION OF INTERNATIONAL FINANCIAL  
AND MONETARY INSTITUTIONS;

(1) (FOOTNOTE) IN APPROACHING THE QUESTION OF ACTION ON  
COMMODITIES, IT WILL BE ESSENTIAL FOR DUE NOTE TO BE TAKEN  
ON COMMODITY AGREEMENTS, ARRANGEMENTS OR MEASURES WHICH  
ALREADY EXIST OR WHICH ARE ALREADY UNDERCONSIDERATION.

- FACILITATION OF LONG-TERM CONTRACTS AND OTHER ARRANGE-  
MENTS MADE BY PRIVATE UNDERTAKINGS TO ENSURE THEIR  
SECURITY OF WUPPLY; AND

- EXPORT QUOTAS;

- POSSIBLE SUPPORTING MEASURES.

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P 100930Z MAR 76  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8627  
INFO USMISSION OECD PARIS PRIORITY  
USUN NEW YORK PRIORITY 2761

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E.O. 11652: NA  
TAGS: UNCTAD  
SUBJ: UNCTAD: TDB: EC PAPER ON COMMODITIES

(2) SYSTEMS OF EXPORT EARNINGS STABILISATION.  
(3) IMPROVEMENT OF MARKET ACCESS BY:  
-MULTILATERAL TRADE MEASURES WHICH HAVING REGARD TO  
THE MTN'S AND TO THE TOKYO DECLARATION MIGHT INCLUDE  
SPECIAL PROVISIONS FOR DEVELOPING COUNTRIES, PRIORITY  
MEASURES ON TROPICAL PRODUCTS, IMPROVED ACCESS FOR FIRST  
STAGE PROCESSED GOODS, AND EXAMINATION OF EXPORT RE-  
STRICTIONS;  
-IMPROVEMENT AND/OR PROLONGATION OF SCHEMES OF  
GENERAL PREFERENCES; AND  
-TRADE PROMOTION MEASURES.  
(4) ENCOURAGEMENT OF COMMODITY PRODUCTION WHEREEVER  
APPROPRIATE, AND OF DIVERSIFICATION, AND OF INDUSTRIAL  
DEVELOPMENT VIA:  
-TECHNICAL COOPERATION (INCLUDING THE TRANSFER OF  
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TECHNOLOGY);  
-JOINT VENTURES;  
-IMPROVED ACCESS TO CAPITAL MARKETS; AND  
-THE ENCOURAGEMENT AND PROTECTION OF INVESTMENT.  
COMMODITIES TO BE COVERED  
THE COMMODITIES TO BE COVERED SHOULD INCLUDE THOSE  
SUGGESTED BY THE UNCTAD SECRETARIAT AND THOSE WHICH THE  
DEVELOPING COUNTRIES HAVE SUGGESTED SHOULD BE ADDED  
TO THEM.  
OTHER PRODUCTS OF INTEREST TO THE DEVELOPING OR TO THE  
DEVELOPED COUNTRIES MIGHT ALSO BE CONSIDERED.  
PROCEDURES AND TIMETABLE (1) (SEE FOOTNOTE AT END)  
THE FOURTH CONFERENCE SHOULD DETERMINE PROCEDURES AND A  
TIMETABLE ALONG THE FOLLOWING LINES:  
(I) IT SHOULD ARRANGE FOR A SERIES OF MEETINGS BETWEEN  
THE PRODUCERS AND CONSUMERS OF SPECIFIC COMMODITIES  
BY MAKING USE OF EXISTING BODIES WHEREEVER POSSIBLE AND  
BY ESTABLISHING NEW AD HOC PREPARATORY GROUPS WHERE

NECESSARY;

(II) IT SHOULD INVITE EACH OF THESE GROUPS, IN THE LIGHT OF THE OVERALL AGREED OBJECTIVES, TO BRING FORWARD PROPOSALS ON APPROPRIATE MEASURES AND TECHNIQUES, INCLUDING VARIOUS MEASURES TO MEET ANY IDENTIFIED FINANCIAL REQUIREMENTS; TO MAKE RECOMMENDATIONS ON THE FOLLOW-UP ACTION REQUIRED, WHETHER BY NEGOTIATING AGREEMENTS, ARRANGEMENTS OR OTHER MEASURES; AND TO PREPARE PRELIMINARY DRAFTS OF ANY SUCH AGREEMENTS OR ARRANGEMENTS FOR THE CONSIDERATION OF GOVERNMENTS AND FOR USE IN NEGOTIATIONS;

(III) IT SHOULD CONSTITUTE THE COMMITTEE ON COMMODITIES AS A COORDINATING COMMITTEE:

- TO GIVE IMPETUS TO THIS PREPARATORY WORK;
- TO REVIEW PROGRESS ON WORK MENTIONED UNDER (II) ABOVE;
- TO CONTINUE ITS EFFORTS TO ENCOURAGE DIVERSIFICATION, PROCESSING AND THE LIBERALIZATION OF TRADE;
- TO EVALUATE THE IMPROVEMENTS MADE IN THE IMF COMPENSATORY FINANCING FACILITY; AND
- TO DEAL WITH ANY MAJOR PROBLEMS, WITH REFERENCE AS NECESSARY TO THE TRADE AND DEVELOPMENT BOARD.

(1) SEE FOOTNOTE (1) ON PREVIOUS PAGE.

UNQUOTE END TEXT. DALE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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